

Division of Welfare

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2005 Total App	FY 2005 Actual	FY 2006 Approp	FY 2007 Request	FY 2007 Gov Rec
BY PROGRAM					
Self-Reliance Operations	107,642,700	107,900,300	48,303,300	61,691,800	49,335,900
Benefit Payments	15,383,900	15,527,100	76,734,100	78,331,000	78,331,000
Total:	123,026,600	123,427,400	125,037,400	140,022,800	127,666,900
BY FUND CATEGORY					
General	33,423,300	30,444,300	34,395,400	41,625,100	35,785,000
Dedicated	3,984,900	3,673,900	3,031,600	2,741,400	2,778,800
Federal	85,618,400	89,309,200	87,610,400	95,656,300	89,103,100
Total:	123,026,600	123,427,400	125,037,400	140,022,800	127,666,900
Percent Change:		0.3%	1.3%	12.0%	2.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	27,419,800	27,340,600	29,336,700	33,952,300	30,242,300
Operating Expenditures	23,439,800	18,849,800	18,966,600	22,845,900	19,001,000
Capital Outlay	37,600	158,600	0	4,893,600	92,600
Trustee/Benefit	72,129,400	77,078,400	76,734,100	78,331,000	78,331,000
Total:	123,026,600	123,427,400	125,037,400	140,022,800	127,666,900
Full-Time Positions (FTP)	574.81	585.81	599.81	695.56	627.56

Division Description

The Division of Welfare administers Temporary Assistance for Families in Idaho (TAFI). This is a time-limited cash assistance and supportive services program with an emphasis on self-reliance and personal responsibility. Additional assistance provided by this program is the Idaho Child Care program, Aid to the Aged, Blind, and Disabled, Food Stamps, Refugee Assistance and Medicaid eligibility. Also included is the administration of the Community Service Block Grant, Low Income Energy Assistance, Low Income Weatherization Assistance, Emergency Food Assistance and Telephone Assistance programs.

The Child Support program is responsible for establishing and enforcing child support orders and medical support orders, modifying child support orders to ensure that support awards remain comparable to changes in parental income, and collecting child support for TAFI cases, non-TAFI cases and foster care cases. These collections are used to reimburse the state and federal government for TAFI and foster care expenditures, or to pass on to the custodial parents on the non-TAFI cases.

The Self-Reliance Operations Program is responsible for the eligibility work and support functions associated with Food Stamps, Childrens Health Insurance Program (CHIP), Temporary Assistance for Families, Medicaid, and child support.

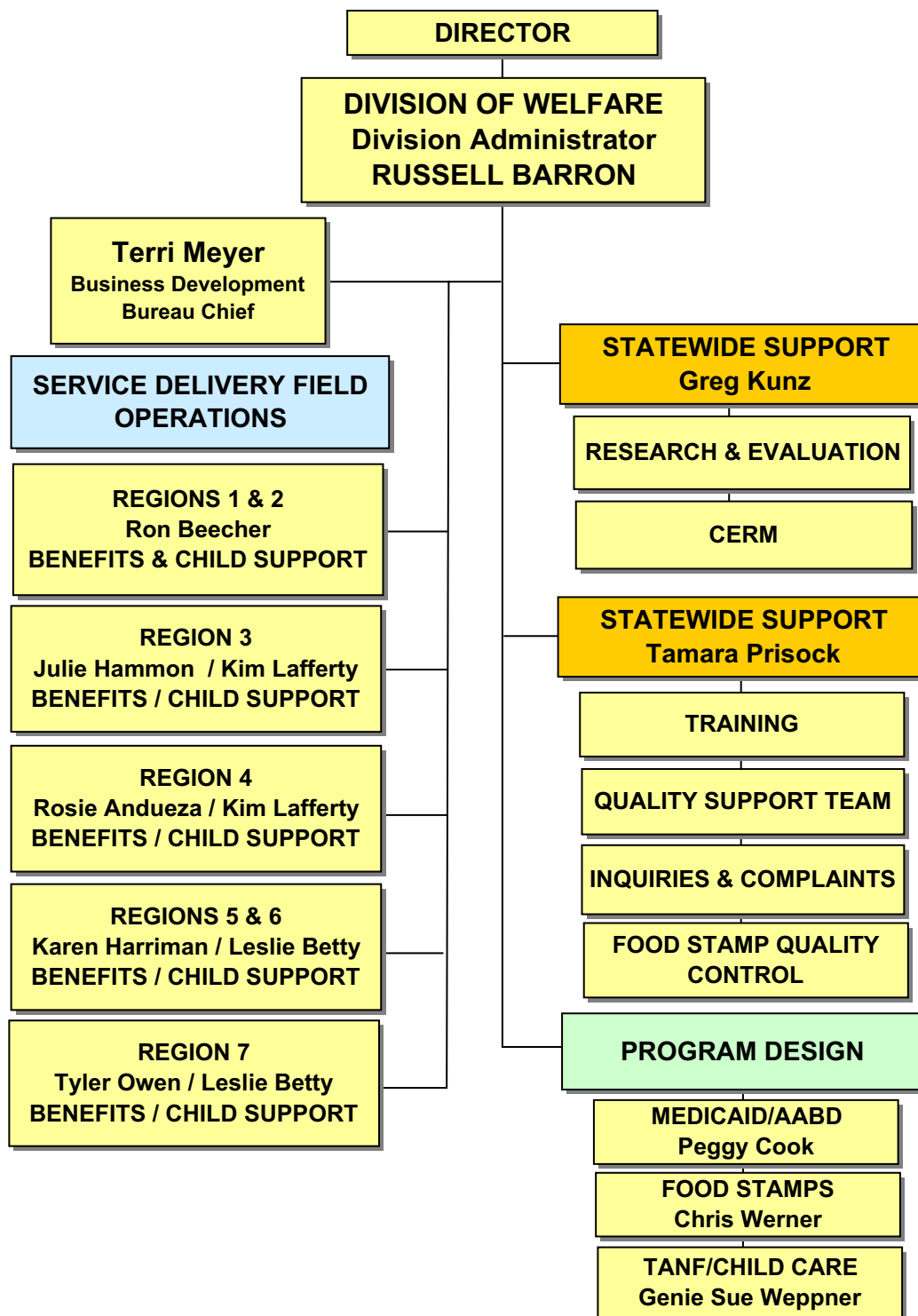
The Benefit Payments Program is comprised of all the direct funding of the benefits to and on behalf of clients.

Welfare

Division Profile

Analyst: Holland-Smith

Organizational Chart



Welfare

Division Profile

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Key Services Provided

	FY 2002	FY 2003	FY 2004	FY 2005
Applications				
Temporary Assistance for Families in Idaho (TAFI) application processed	15,859	20,326	22,735	21,371
Aid to the Aged, Blind and Disabled (AABD) applications processed	6,564	6,326	7,275	7,197
Medicaid applications process (excluding nursing homes)	57,835	58,516	64,475	70,163
Nursing home applications processed	2,465	2,364	2,127	2,182
Child care application processed	19,470	19,551	19,885	15,278
Food Stamp applications processed	52,139	54,750	64,573	67,346
Total applications processed	154,332	161,833	181,070	183,537
Self-Reliance Benefit Programs				
TAFI cash assistance avg. monthly participants	2,306	2,902	3,361	3,304
TAFI annual benefits provided	\$5,297,627	\$6,468,422	\$7,215,308	\$7,270,831
AABD cash assistance avg. monthly participants	10,942	11,224	11,768	12,348
AABD annual benefits provided	\$8,237,614	\$7,578,396	\$7,794,156	\$8,140,954
Food Stamps avg. monthly participants	67,235	78,336	89,904	93,196
Food Stamps annual benefit provided	\$58,861,535	\$72,772,823	\$88,628,144	\$101,379,520
Child Care avg. monthly participants	10,086	9,718	9,413	9,824
Child Care annual benefits provided	\$27,751,427	\$28,942,454	\$29,489,689	\$31,737,321
Child Support Services				
Paternity established	8,598	5,562	5,562	5,625
Support orders established	3,800	4,238	5,115	5,194
Child support caseload	93,554	102,815	111,283	119,922
Total child support dollars collected	\$142,184,494	\$147,570,700	\$155,249,554	\$163,834,483
Collections through wage withholding	\$55,684,471	\$60,094,016	\$65,512,126	\$69,619,593

Self-Reliance Operations

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2006 Original Appropriation	599.81	15,824,600	48,303,300	599.81	15,824,600	48,303,300
Reappropriations	0.00	2,609,700	2,609,700	0.00	0	2,609,700
HB 395	0.00	121,900	270,900	0.00	121,900	270,900
2. Medicare Part D Impact	25.00	665,700	1,331,400	13.00	346,100	692,200
6. Food Stamp Sanction	0.00	138,700	138,700	0.00	138,700	138,700
Omnibus CEC Supplemental	0.00	0	0	0.00	154,200	308,600
FY 2006 Total Appropriation	624.81	19,360,600	52,654,000	612.81	16,585,500	52,323,400
Funds to Match Reappropriations	0.00	0	1,054,200	0.00	0	1,054,200
Reappropriation Object Transfer	0.00	0	0	0.00	0	0
Reappropriation Transfer Between Prgrms	0.00	(1,462,200)	(1,462,200)	0.00	0	(1,462,200)
Transfer for Navigation Staff	8.75	208,200	392,900	8.75	208,200	392,900
Transfer Between Programs	2.00	0	0	2.00	0	0
FY 2006 Estimated Expenditures	635.56	18,106,600	52,638,900	623.56	16,793,700	52,308,300
Removal of One-Time Expenditures	0.00	(1,491,900)	(3,666,700)	0.00	(313,200)	(3,604,300)
FY 2007 Base	635.56	16,614,700	48,972,200	623.56	16,480,500	48,704,000
Benefit Costs	0.00	172,500	431,300	0.00	62,400	155,900
Insurance Premium Rebate	0.00	0	0	0.00	(322,500)	(806,200)
Inflationary Adjustments	0.00	133,100	362,400	0.00	133,100	362,400
Replacement Vehicles	0.00	21,500	39,000	0.00	0	29,200
Computer Replacement	0.00	21,300	42,600	0.00	0	42,600
Statewide Cost Allocation	0.00	(249,200)	(599,200)	0.00	(249,200)	(599,200)
Annualization of Medicare Part D Impact	0.00	262,700	525,400	0.00	262,700	525,400
Annualization of Eligibility Workers	0.00	105,100	210,100	0.00	105,100	210,100
CEC Permanent Positions	0.00	128,500	257,100	0.00	237,100	474,400
CEC Group Positions	0.00	5,000	10,100	0.00	9,200	18,600
FY 2007 Program Maintenance	635.56	17,215,200	50,251,000	623.56	16,718,400	49,117,200
1. EPICS Replacement	20.00	3,081,200	5,705,800	0.00	0	0
2. Self-Reliance Caseload Growth	25.00	777,100	1,554,200	0.00	0	0
3. Healthy Mothers/Healthy Babies	6.00	269,900	539,800	0.00	0	0
4. Medicaid Quality Assurance	5.00	161,100	322,300	0.00	0	0
5. CHIP B-Remove Uninsured Rqrmnt	4.00	0	218,700	4.00	0	218,700
6. Financial Integrity-Child Support Prgm	0.00	1,054,000	3,100,000	0.00	0	0
FY 2007 Total	695.56	22,558,500	61,691,800	627.56	16,718,400	49,335,900
Change from Original Appropriation	95.75	6,733,900	13,388,500	27.75	893,800	1,032,600
% Change from Original Appropriation		42.6%	27.7%		5.6%	2.1%

Self-Reliance Operations

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2006 Original Appropriation	599.81	15,824,600	2,720,300	29,758,400	48,303,300

Reappropriations

Reappropriation authority -- also known as carry over -- allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carry over requires specific legislative authorization and must be approved every year. \$327,800 is reappropriated in personnel costs and \$2,281,900 in operating expenditures.

Agency Request	0.00	2,609,700	0	0	2,609,700
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The Governor's recommendation reflects the General Fund portion of the reappropriation from the Cooperative Welfare Fund as dedicated funds.

Governor's Recommendation	0.00	0	2,609,700	0	2,609,700
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HB 395

Reflects a one-time 1% Change in Employee Compensation (CEC) increase.

Agency Request	0.00	121,900	0	149,000	270,900
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Governor's Recommendation	0.00	121,900	0	149,000	270,900
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2. Medicare Part D Impact

The department is requesting funding for the Division of Medicaid and the Division of Welfare to implement the Medicare Prescription Drug program which begins on January 1, 2006. As of that date, Idaho will no longer pay for most of the prescription drug costs for approximately 17,000 persons enrolled dually in Medicaid and Medicare. The department is directly responsible for case management and assisting the "dual eligibles" as their prescription benefits shift to Medicare. There are also 6,000 enrollees in the Medicaid Savings Account program who are also the department's responsibility. The department is requesting funding (retroactively) to hire 13.00 eligibility workers in October 2005, with the remaining 12.00 FTPs in January 2006, to transition these cases over to a drug plan over a several month period at a cost of \$638,100 split 50:50 with the federal government. There is a known caseload of 23,000 dual eligibles and Medicaid Savings Account holders and the department is not in a position to absorb this workload without additional resources.

In addition to assisting the known eligible persons, the department is anticipating assisting any Idaho senior who asks for help and is requesting funds to hire 15 temporary positions to handle an additional 18,000 extra cases. The associated costs to hire these staff is \$373,400 split 50:50 with the federal government. The department is requesting \$189,800 for operating expenditures and \$130,000 for one-time capital outlay.

Agency Request	25.00	665,700	0	665,700	1,331,400
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Governor's Recommendation	13.00	346,100	0	346,100	692,200
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6. Food Stamp Sanction

The department has been notified that it is required to either pay a federal penalty for the high error rate in the Food Stamp program or put that much money into improving the eligibility system to avoid future errors. The department is requesting funding to develop a data program that will provide easier access to certain Food Stamp information that currently is not easily accessible to eligibility workers. The goal would be to lower the rate on an ongoing basis. The error rate is determined by how accurate the state is in determining how many dollars a recipient should receive. The fine was recently reduced because of improvements that Idaho has made in its error rate.

Agency Request	0.00	138,700	0	0	138,700
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Governor's Recommendation	0.00	138,700	0	0	138,700
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Self-Reliance Operations

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Omnibus CEC Supplemental					
Agency Request	0.00	0	0	0	0
<i>The Governor's FY 2007 recommendation is a 3% ongoing increase in employee compensation (CEC), based on merit, to commence in FY 2006 with the January 29 pay period. This will allow agencies to fund employee compensation increases for ten pay periods prior to the end of the current fiscal year. Funding for the remaining 16 pay periods is provided in the FY 2007 CEC.</i>					
Governor's Recommendation	0.00	154,200	0	154,400	308,600
FY 2006 Total Appropriation					
Agency Request	624.81	19,360,600	2,720,300	30,573,100	52,654,000
Governor's Recommendation	612.81	16,585,500	5,330,000	30,407,900	52,323,400
Funds to Match Reappropriations					
Associated increases in spending authority due to the availability of reappropriation of General Funds. Spending authority of \$320,700 was established in personnel costs, \$722,500 in operating expenditures, and \$11,000 in capital outlay.					
Agency Request	0.00	0	0	1,054,200	1,054,200
Governor's Recommendation	0.00	0	0	1,054,200	1,054,200
Reappropriation Object Transfer					
Of the amount authorized in the reappropriations process the department is transferring \$76,400 from the General Fund in personnel costs and \$409,800 in operating expenditures to trustee/benefit payments for a total of \$486,200.					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
Reappropriation Transfer Between Prgms					
This decision unit transfers \$989,000 out of operating expenditures and \$127,000 out of capital outlay to other programs. The department is reallocating the one-time funds they have the authority to spend under reappropriations amongst all of their programs.					
Agency Request	0.00	(1,462,200)	0	0	(1,462,200)
<i>The Governor's recommendation reflects the General Fund portion of the reappropriation transfer from the Cooperative Welfare Fund as dedicated funds.</i>					
Governor's Recommendation	0.00	0	(1,462,200)	0	(1,462,200)
Transfer for Navigation Staff					
Transfers personnel cost funding from other programs to the Self-Reliance Program to hire navigation staff for the "Any Door Initiative."					
Agency Request	8.75	208,200	0	184,700	392,900
Governor's Recommendation	8.75	208,200	0	184,700	392,900
Transfer Between Programs					
The department transferred 2.00 FTP from the Indirect Support Services Program.					
Agency Request	2.00	0	0	0	0
Governor's Recommendation	2.00	0	0	0	0
FY 2006 Estimated Expenditures					
Agency Request	635.56	18,106,600	2,720,300	31,812,000	52,638,900
Governor's Recommendation	623.56	16,793,700	3,867,800	31,646,800	52,308,300

Self-Reliance Operations

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Removal of One-Time Expenditures					
Removes funding provided for HB395, the 27th pay period, reappropriations, and other one-time items.					
Agency Request	0.00	(1,491,900)	(399,500)	(1,775,300)	(3,666,700)
Governor's Recommendation	0.00	(313,200)	(1,547,000)	(1,744,100)	(3,604,300)
FY 2007 Base					
Agency Request	635.56	16,614,700	2,320,800	30,036,700	48,972,200
Governor's Recommendation	623.56	16,480,500	2,320,800	29,902,700	48,704,000
Benefit Costs					
Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 6.1% or \$436 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees and by 5.7% from 10.73% to 11.34% of salary for police and firefighters. Other benefit changes include minor adjustments in unemployment insurance rates and workers compensation rates.					
Agency Request	0.00	172,500	0	258,800	431,300
Removes the PERSI rate increase and changes benefit costs to reflect a 3.5% or \$250 per FTP increase in health insurance costs.					
Governor's Recommendation	0.00	62,400	0	93,500	155,900
Insurance Premium Rebate					
Agency Request	0.00	0	0	0	0
The change in health insurance providers, from Blue Shield to Blue Cross, has created a one-time opportunity to use unexpended reserves from the previous contract. This decision unit provides for a health insurance premium reduction equal to two month's premiums for both the employer and employee. Finally, a life insurance holiday is included equal to seven month's premium for the employer's share only.					
Governor's Recommendation	0.00	(322,500)	0	(483,700)	(806,200)
Inflationary Adjustments					
Includes a general inflationary increase of 1.9% in operating expenditures.					
Agency Request	0.00	133,100	0	229,300	362,400
Governor's Recommendation	0.00	133,100	0	229,300	362,400
Replacement Vehicles					
Requests funding for three sedans.					
Agency Request	0.00	21,500	0	17,500	39,000
The Governor's recommends using Economic Recovery Reserve Funds instead of General Funds.					
Governor's Recommendation	0.00	0	16,100	13,100	29,200
Computer Replacement					
Replace 76 personal computers on a three-year cycle @ \$560 each.					
Agency Request	0.00	21,300	0	21,300	42,600
The Governor's recommends using Economic Recovery Reserve Funds instead of General Funds.					
Governor's Recommendation	0.00	0	21,300	21,300	42,600
Statewide Cost Allocation					
The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General, State Controller and State Treasurer services and includes changes in property and casualty insurance premiums. This reduction is for State Controller fees.					
Agency Request	0.00	(249,200)	0	(350,000)	(599,200)
Governor's Recommendation	0.00	(249,200)	0	(350,000)	(599,200)

Self-Reliance Operations

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Annualization of Medicare Part D Impact					
The department is requesting \$442,600 in personnel costs and \$82,800 in operating expenditures to fully fund the staff requested in the Supplemental decision unit for a complete 12 months in FY 2007.					
Agency Request	0.00	262,700	0	262,700	525,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>262,700</i>	<i>0</i>	<i>262,700</i>	<i>525,400</i>
Annualization of Eligibility Workers					
This request is for the remainder of funds necessary to pay for the expenses of staff authorized in FY 2006. Personnel costs of \$152,700 and operating expenditures of \$57,400.					
Agency Request	0.00	105,100	0	105,000	210,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>105,100</i>	<i>0</i>	<i>105,000</i>	<i>210,100</i>
CEC Permanent Positions					
Calculated cost of a 1% salary increase for permanent positions.					
Agency Request	0.00	128,500	0	128,600	257,100
<i>Provides funding for the remaining 16 pay periods to annualize the 3% ongoing change in employee compensation recommended in the omnibus CEC supplemental.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>237,100</i>	<i>0</i>	<i>237,300</i>	<i>474,400</i>
CEC Group Positions					
Calculated cost of a 1% salary increase for group positions.					
Agency Request	0.00	5,000	0	5,100	10,100
<i>Provides funding for the remaining 16 pay periods to annualize the 3% ongoing change in employee compensation recommended in the omnibus CEC supplemental.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>9,200</i>	<i>0</i>	<i>9,400</i>	<i>18,600</i>
FY 2007 Program Maintenance					
Agency Request	635.56	17,215,200	2,320,800	30,715,000	50,251,000
<i>Governor's Recommendation</i>	<i>623.56</i>	<i>16,718,400</i>	<i>2,358,200</i>	<i>30,040,600</i>	<i>49,117,200</i>

Self-Reliance Operations

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. EPICS Replacement

The department is requesting funding to begin the replacement cycle of Eligibility Programs Integrated Computer System (EPICS), the automated eligibility determination system used by the department for the last 20 years. EPICS is an antiquated system that has contributed to high error rates in eligibility determination and timely processing. EPICS is not capable of handling the more current and complex programs the department is required to process and manage. A recent internal quality assurance review shows that only 28% of the eligibility staff were able to meet standards set by the department for timely processing of applications. Because of its age, it does not interface well with other application, such as the Medicaid Management Information System. The Self Reliance Operations programs manage approximately 375,000 cases each year, mostly through EPICS. There is no way to change the system to meet the needs and challenges of today's complex federal and state assistance programs. Preliminary cost estimates to replace EPICS system range from \$12 to \$24 million. The department plans to build the system over a three-year period to ensure they analyze and incorporate the best features of both private and public applications to meet the state's needs.

The department is requesting funds to:

- 1) Develop detailed business and system requirements
- 2) Conduct a comprehensive analysis of existing systems
- 3) Develop system interfaces
- 4) Prototype a new system to validate design and functionality
- 5) Purchase the hardware and peripheral software to construct the foundation of a new system
- 6) Develop processes to incrementally migrate the EPICS system to new architecture without affecting client services.

The request is for 20.00 limited service FTPs with \$939,800 in personnel costs, \$162,000 for operating expenditures to support the new staff, and \$4,604,000 for capital outlay. Capital outlay is \$104,000 for set up costs and the balance of \$4.5 million for contractor and equipment costs. All funds and FTP are requested as one-time.

Agency Request	20.00	3,081,200	0	2,624,600	5,705,800
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. Self-Reliance Caseload Growth

The department is requesting additional FTP and operating expenditures to support caseload growth and to improve the error rates associated with eligibility of programs in Food Stamps, Medicaid and Child Support. The new personnel would be a combination of self-reliance specialists and supervisory support positions for a total of \$1,221,600 in personnel costs, \$202,600 in operating expenditures, and \$130,000 in capital outlay.

Agency Request	25.00	777,100	0	777,100	1,554,200
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Self-Reliance Operations

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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3. Healthy Mothers/Healthy Babies

The department is requesting funding for personnel, operating, and startup costs in this program to implement and administer the Medicaid family planning waiver services. The department was directed by the Governor to design and implement the family services waiver in July 2005, for planned implementation by July 2006. The waiver duration will be for five years. A sound family planning program will help ensure stronger, healthier families that are less reliant on department services. Family planning services will educate parents about the importance of spacing pregnancies to prevent poor health outcomes to mothers and their babies. Although local health district offices also provide these services, the department states that the offices are not always accessible and there may be financial barriers because the health districts charge fees. The department is requesting 6.00 FTP to hire self-reliance specialists to process applications at a cost of \$260,000; ongoing operating expenditures of \$48,600 to support staff activities, one-time operating expenditures of \$200,000 to modify the eligibility system to extend services to this population, and one-time capital outlay of \$31,200 for office and computer equipment for the new positions. The department is also requesting \$66,700 in General Funds and \$2,443,700 in federal funds for a total of \$2,510,400 in the Medical Assistance Services (Medicaid). The total fiscal impact for this request in both the Self-Reliance Operations Program and the Medical Assistance Services Program in FY 2007 is \$3,050,200.

Agency Request	6.00	269,900	0	269,900	539,800
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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4. Medicaid Quality Assurance

The department is requesting 5.00 FTP to hire program specialists to improve eligibility determination accuracy and conform to an expected increase in federal audit requirements in federal FY 2006. As a result of much larger caseloads and little quality assurance activity, state and federal reviews have repeatedly found discrepancies in Medicaid eligibility determinations. These positions will review and evaluate the accuracy of eligibility determinations for Medicaid as part of the federal maintenance of effort requirements. The maintenance of effort requirements by the Centers for Medicare and Medicaid (CMS) will likely include a payment accuracy measurement on Medicaid operations in each state. If the current proposal is implemented, it will require Idaho to annually review 2,000 Medicaid cases in addition to the 1,700 - 2,000 cases already being checked for accuracy. To respond to concerns about eligibility errors, the department is proposing a three-pronged effort to improve Self Reliance Operations Program performance 1) replace EPICS the automated eligibility system 2) change business practices to meet automation changes, and 3) increase staff. The department is requesting \$255,800 in personnel costs, \$40,500 for operating expenditures to support staff, and \$26,000 for one-time capital outlay for office and computer equipment.

Agency Request	5.00	161,100	0	161,200	322,300
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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5. CHIP B-Remove Uninsured Rqrmnt

This decision unit provides funding to extend health coverage to children in low income families who already have health insurance and would require a rule change approved by the Legislature. This is to encourage family who cannot continue to afford their premiums and intend to drop their coverage to become eligible for health care through the CHIP B or Access Card. The CHIP B program requires families to pay \$15 each month per child, and the Access Card provides premium assistance of up to \$100 per child for a family total of \$300 per month. The department is requesting 3.00 self-reliance specialists and 1.00 technical records specialist to process premium payments to insurance carriers for the Access Card Program. Total personnel costs are \$165,500, operating expenditures of \$32,400 to support the new personnel, and one-time capital outlay of \$20,800 to purchase office and computer equipment. Funding is split 50:50 between the state and federal government.

Agency Request	4.00	0	109,300	109,400	218,700
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Governor's Recommendation	4.00	0	109,300	109,400	218,700
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Self-Reliance Operations

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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6. Financial Integrity-Child Support Prgm

The department is requesting funding to audit financial records in the Child Support Program. Three out of four child support cases are calculated incorrectly according to legislative audit findings in 2001 and 2004. Over the past year the department has been able to audit 10% of the cases and are randomly auditing new cases, but have been unable to dedicate sufficient resources to address the backlog. The department would issue a contract to audit 2,000 cases per month for 36 months, including current and backlog cases for a total of 72,000 audits. A contractor would begin the work in July 2006, and the contract would be for three years at an annual cost of \$3.1 million. The program currently supports 132,000 cases, with an expected 140,000 within the next three years.

Agency Request	0.00	1,054,000	0	2,046,000	3,100,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2007 Total

Agency Request	695.56	22,558,500	2,430,100	36,703,200	61,691,800
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Governor's Recommendation	627.56	16,718,400	2,467,500	30,150,000	49,335,900
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Agency Request

Change from Original App	95.75	6,733,900	(290,200)	6,944,800	13,388,500
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% Change from Original App	16.0%	42.6%	(10.7%)	23.3%	27.7%
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Governor's Recommendation

Change from Original App	27.75	893,800	(252,800)	391,600	1,032,600
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% Change from Original App	4.6%	5.6%	(9.3%)	1.3%	2.1%
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Benefit Payments

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2006 Original Appropriation	0.00	18,570,800	76,734,100	0.00	18,570,800	76,734,100
Reappropriations	0.00	155,100	155,100	0.00	0	155,100
9. Supplemental	0.00	0	0	0.00	0	3,750,000
FY 2006 Total Appropriation	0.00	18,725,900	76,889,200	0.00	18,570,800	80,639,200
Reappropriation Object Transfer	0.00	0	0	0.00	0	0
Reappropriation Transfer Between Prgms	0.00	(155,100)	(155,100)	0.00	0	(155,100)
FY 2006 Estimated Expenditures	0.00	18,570,800	76,734,100	0.00	18,570,800	80,484,100
Removal of One-Time Expenditures	0.00	0	0	0.00	0	(3,750,000)
FY 2007 Base	0.00	18,570,800	76,734,100	0.00	18,570,800	76,734,100
General Inflation	0.00	358,800	1,458,000	0.00	358,800	1,458,000
Child Care Caseload Growth	0.00	368,600	368,600	0.00	368,600	368,600
AABD Non-Standard Caseload Inflation	0.00	138,900	138,900	0.00	138,900	138,900
Federal Match Rate Change	0.00	(1,900)	0	0.00	(1,900)	0
FY 2007 Program Maintenance	0.00	19,435,200	78,699,600	0.00	19,435,200	78,699,600
7. Child Care Rule Change	0.00	(368,600)	(368,600)	0.00	(368,600)	(368,600)
FY 2007 Total	0.00	19,066,600	78,331,000	0.00	19,066,600	78,331,000
Change from Original Appropriation	0.00	495,800	1,596,900	0.00	495,800	1,596,900
% Change from Original Appropriation		2.7%	2.1%		2.7%	2.1%

Benefit Payments

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2006 Original Appropriation	0.00	18,570,800	311,300	57,852,000	76,734,100

Reappropriations

Reappropriation authority -- also known as carry over -- allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carry over requires specific legislative authorization and must be approved every year. All funds are placed in trustee/benefit payments.

Agency Request	0.00	155,100	0	0	155,100
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The Governor's recommendation reflects the General Fund portion of the reappropriation from the Cooperative Welfare Fund as dedicated funds.

Governor's Recommendation	0.00	0	155,100	0	155,100
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9. Supplemental

Agency Request	0.00	0	0	0	0
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The Governor recommends providing a one-time energy assistance payment of \$50 per person for all eligible Idaho residents in recognition of the increase in costs for gas and home heating. The majority of this assistance money will be distributed based on residency and related 2004 tax information. The Department of Health and Welfare is funded to provide assistance to those Idaho residents who do not meet the minimum income criteria for tax filing. The funding will be distributed based on residency and income related eligibility factors.

Governor's Recommendation	0.00	0	3,750,000	0	3,750,000
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FY 2006 Total Appropriation

Agency Request	0.00	18,725,900	311,300	57,852,000	76,889,200
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Governor's Recommendation	0.00	18,570,800	4,216,400	57,852,000	80,639,200
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Reappropriation Object Transfer

Of the amount authorized in the reappropriations process the department is transferring \$78,500 from the General Fund in trustee/benefit payments to operating expenditures.

Agency Request	0.00	0	0	0	0
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Governor's Recommendation	0.00	0	0	0	0
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Reappropriation Transfer Between Prgms

This decision unit transfers \$78,500 out of capital outlay, and \$76,600 out of trustee/benefit payments to other programs. The department is reallocating the one-time funds they have the authority to spend under reappropriations amongst all of their programs.

Agency Request	0.00	(155,100)	0	0	(155,100)
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Governor's Recommendation	0.00	0	(155,100)	0	(155,100)
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FY 2006 Estimated Expenditures

Agency Request	0.00	18,570,800	311,300	57,852,000	76,734,100
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Governor's Recommendation	0.00	18,570,800	4,061,300	57,852,000	80,484,100
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Removal of One-Time Expenditures

Agency Request	0.00	0	0	0	0
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Removes funding for the Governor's energy assistance initiative.

Governor's Recommendation	0.00	0	(3,750,000)	0	(3,750,000)
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FY 2007 Base

Agency Request	0.00	18,570,800	311,300	57,852,000	76,734,100
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Governor's Recommendation	0.00	18,570,800	311,300	57,852,000	76,734,100
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Benefit Payments

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
General Inflation					
Includes a general inflationary increase of 1.9% in trustee/benefit payments.					
Agency Request	0.00	358,800	0	1,099,200	1,458,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>358,800</i>	<i>0</i>	<i>1,099,200</i>	<i>1,458,000</i>

Child Care Caseload Growth

Currently families eligible for child care who are looking for work have up to 160 hours per month of child care available to them for unlimited months. Monthly time sheets detailing job search activities are required, but this process provides little incentive for individuals to find work; requires time-consuming validation by department staff; causes delays in payment processing to providers; and may result in providers not being paid for child care they have provided. The department is proposing to change this rule to limit the benefit to 80 hours per month for three months per calendar year. If this rule change is not approved the department will need General Funds to pay all eligible claims for FY 2007.

Agency Request	0.00	368,600	0	0	368,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>368,600</i>	<i>0</i>	<i>0</i>	<i>368,600</i>

AABD Non-Standard Caseload Inflation

The department is projecting that caseloads will be increasing for benefits for the Aid to Aged, Blind, and Disabled Program in FY 2007. This request is in trustee/benefit payments.

Agency Request	0.00	138,900	0	0	138,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>138,900</i>	<i>0</i>	<i>0</i>	<i>138,900</i>

Federal Match Rate Change

Provides for an increase in the Federal Medical Assistance Program match rate from 70.088% to 70.105%.

Agency Request	0.00	(1,900)	0	1,900	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(1,900)</i>	<i>0</i>	<i>1,900</i>	<i>0</i>

FY 2007 Program Maintenance

Agency Request	0.00	19,435,200	311,300	58,953,100	78,699,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>19,435,200</i>	<i>311,300</i>	<i>58,953,100</i>	<i>78,699,600</i>

7. Child Care Rule Change

Currently families eligible for child care who are looking for work have up to 160 hours per month of child care available to them for unlimited months. Monthly time sheets detailing job search activities are required, but this process provides little incentive for individuals to find work; requires time-consuming validation by department staff; causes delays in payment processing to providers; and may result in providers not being paid for child care they have provided. The department is proposing to change this rule to limit the benefit to 80 hours per month for three months per calendar year. The Child Care Block Grant, including the transfer of money from the Temporary Assistance to Needy Families (TANF) block grant totals \$35.5 million in federal funds for FY 2007. The department has requested additional funds in the Nondiscretionary Adjustments category in the case that the Legislature does not approve the rule change. If the rule change is approved then the additional funding is unnecessary.

Agency Request	0.00	(368,600)	0	0	(368,600)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(368,600)</i>	<i>0</i>	<i>0</i>	<i>(368,600)</i>

FY 2007 Total

Agency Request	0.00	19,066,600	311,300	58,953,100	78,331,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>19,066,600</i>	<i>311,300</i>	<i>58,953,100</i>	<i>78,331,000</i>

Benefit Payments

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Agency Request					
Change from Original App	0.00	495,800	0	1,101,100	1,596,900
% Change from Original App		2.7%	0.0%	1.9%	2.1%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	495,800	0	1,101,100	1,596,900
% Change from Original App		2.7%	0.0%	1.9%	2.1%